

Behavioural Finance Working Group 15th Annual Conference Programme

Networks and Social Connections in Finance













Behavioural Finance Working Group Conference

Date

Thursday 9 - Friday 10 June 2022

Venue

The Graduate Centre

Queen Mary University of London, Mile End Road, London E1 4NS

Keynote Speaker

Professor Lauren Cohen Harvard Business School and Editor of Review of Financial Studies

Practitioner Keynote

Dr Charlotte Duke Partner with London Economics

Special Issue

International Review of Economics and Finance
Review of Behavioural Finance

Best Paper Awards

Best Quantitative Paper Award: **Review of Behavioural Finance**Best Qualitative Paper Award: **Qualitative Research in Financial Markets**PhD Student Funding: **ICAEW's Charitable Trusts**

Organisers

Professor Arman Eshraghi Cardiff University
Professor Gulnur Muradoglu Queen Mary University of London
Dr Deven Bathia Queen Mary University of London

Conference Programme At a Glance

Thursd	lay 9 June	Friday 10	June
08:00-08	:45 Registration and Light Breakfast (Graduate Centre Ground Floor Foyer)	08:15-09:15	Registration and Light Breakfas (Graduate Centre Ground Floor Foyer)
08:45- 09	(Peston Lecture Theatre, Ground Floor Graduate Centre)	09:15- 09:30	Best Paper Awards (Peston Lecture Theatre, Ground Floor Graduate Centre)
09:00-10		09:30-10:30	Practitioner Keynote (Peston Lecture Theatre, Ground Floor Graduate Centre)
10:30-11	:00 Coffee Break (Graduate Centre Ground Floor Foyer)	10:30-11:00	Coffee Break (Graduate Centre Ground Floor Foyer)
11:00 -12	2:30 Sessions 2A (GC101), 2B (GC201) and 2C (GC114)	11:00- 12:30	Sessions 5A (GC101), 5B (GC114) and 5C (GC201)
12:30-13	:30 Lunch (Graduate Centre Ground Floor Foyer)	12:30-13:30	Lunch (Graduate Centre Ground Floor Foyer)
13:30-15	3B (GC101) and 3C (GC201)	13:30-15:00	Sessions 6A (GC101), 6B (GC201) and 6C (GC114)
15:00-15	:30 Coffee Break (Graduate Centre Ground Floor Foyer)	15:00- 15:30	Coffee Break (Graduate Centre Ground Floor Foyer)
15:30-17	:00 Sessions 4A (GC101), 4B (GC114) and 4C (GC201)	15:30-17:00	Sessions 7A (GC101), 7B (GC114) and 7C (GC201)
17:00- 17	':15 Light Refreshments (Graduate Centre Ground Floor Foyer)	17:00-17:30	Editorial Board Meeting by invitation only
17:15-18		17:00	Drinks Reception and Dinner (Mucci's Restaurant, Mile End Campus)
18:15	Dinner (Mucci's Restaurant, Mile End Campus)		

Day 1

08:00-08:45 Registration and Light Breakfast

(Graduate Centre Ground Floor Foyer)

08:45-09:00 Welcome Address

(Peston Lecture Theatre, Ground Floor Graduate Centre)

09:00-10:30

Session 1A: News and Social Effects

Chair: Andrew Todd, University of Strathclyde

Room GC101

News Selection and its Implications to Financial Markets	Social Connectedness and Mergers and Acquisitions	Comparison of Sentiment Analysis Methods on Earnings Conference Calls
Speaker: Jordi Mondria,	Speaker: Giang Nguyen,	Speaker: Andrew Todd,
University of Toronto	Waseda University	University of Strathclyde
Co-author(s): Charles	Co-author(s): Thu Ha Nguyen	Co-author(s): James Bowden
Martineau University of	and Hung Pham, Monash	and Yashar Moshfeghi,
Toronto	University	University of Strathclyde
Discussant: Giang Nguyen,	Discussant: Andrew Todd,	Discussant: Jordi Mondria,
Waseda University	University of Strathclyde	University of Toronto



Session 1B: Culture

Chair: Luana Zaccaria, EIEF

Room GC201

National culture and analysts' herding	Revealed Back to the roots? The impact of culture and sentiment on institutional investors	From Patriarchy to Partnership: Gender Equality and Household Finance
Speaker: Yujin Gu, Newcastle	Speaker: Linda Klingler,	Speaker: Luana Zaccaria, EIEF
University	University of Hohenheim	Co-authors: Luigi Guiso, EIEF
Discussant: Linda Klingler,	Discussant: Luana Zaccaria,	Discussant: Yujin Gu,
University of Hohenheim	EIEF	Newcastle University

10:30-11:00 Coffee Break

(Graduate Centre Ground Floor Foyer)



11:00-12:30

Session 2A: Attention

Chair: Arman Eshraghi, Cardiff University

Room GC101

Time-Varying Editor Preferences, Attention Constraints, and Asset Prices	Donald Trump, investor attention and financial markets	The Morning After: Late- night TV Shows and the Stock Market
Speaker: Gustavo Schwenkler, Santa Clara University Co-authors: Hannan Zheng, Fidelity Investments Discussant: Tapas Tanmaya Mohapatra, University of Hohenheim	Speaker: Tapas Tanmaya Mohapatra, University of Hohenheim Co-authors: Monika Gehde-Trapp, University of Hohenheim Discussant: Arman Eshraghi, Cardiff University	Speaker: Arman Eshraghi, Cardiff University Co-author(s): Arbab Cheema and Qingwei Wang, Cardiff University Discussant: Gustavo Schwenkler, Santa Clara University

Session 2B: Sustainability 1

Chair: Stefan Zeisberger, Radboud University and Zurich University Room GC201

Chair: Stefan Zeisberger, Radboud University and Zurich University Room GC201		
Climate Fears and the Demand for Green Investment	Green links: Corporate networks and environmental performance	Do investors care about impact?
Speaker: Anders Anderson, Swedish House of Finance Co-authors: David T. Robinson, Duke University, Swedish House of Finance and NBER Discussant: Zahra Hashemzadeh, Lund University	Speaker: Zahra Hashemzadeh, Lund University Co-authors: Hossein Asgharian, Lund University, Michał Dzieliński and Lu Liu Stockholm University Discussant: Stefan Zeisberger, Radboud University and Zurich University	Speaker: Stefan Zeisberger, Radboud University and Zurich University Co-author(s): Florian Heeb, University of Zurich, Julian Kölbel, University of Zurich and MIT Sloan School of Management and Falko Paetzold, University of Zurich and European Business School Discussant: Anders Anderson, Swedish House of Finance

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Session 2C: Property Market

Chair: Paul Ryan, University College Dublin

Room GC114

Cooling Auction Fever: Evidence from the Housing Market	The Intergenerational Transmission of Trauma and the Irish Property Bubble	Anxiety, Excitement, and Asset Prices
Speaker: Antonio Gargano, University of Houston Co-author(s): Marco Giacoletti, University of Southern California Discussant: Paul Ryan, University College Dublin	Speaker: Paul Ryan, University College Dublin Co-author(s): Richard Taffler, Warwick Business School and Clare Branigan, University College Dublin Discussant: Antonio Gargano, University of Houston	Speaker: Mohammad Shehu Bin Hasan, ICMA Centre, Henley Business School Co-Author(s): Alok Kumar, Miami Herbert Business School and Richard Taffler, Warwick Business School Discussant: Arman Eshraghi, Cardiff University

12:30-13:30 Lunch

(Graduate Centre Ground Floor Foyer)

13:30-15:00

Session 3A: Behavioural Corporate Finance 1

Chair: Matthias Horn, Paderborn University

Room GC114

Odd CEOs and Corporate Investment Policies	Piotroski's Fscore under varying economic conditions	The leverage substitution
Speaker: Tom Aabo, Aarhus University	Speaker: Keith Anderson, University of York	Speaker: Matthias Horn, Paderborn University
Co-author(s): Ingo Kleindienst, Aarhus University, Christos Pantzalis and Jung Chul Park, University of South Florida	Co-author(s): Anup Chowdhury, Leeds Beckett University and Moshfique Uddin, University of Leeds	Discussant: Tom Aabo, Aarhus University
Discussant: Keith Anderson, University of York	Discussant: Matthias Horn, Paderborn University	

Session 3B: Decision Making 1

Chair: Hava Orkut, University of Strasbourg

Room GC101

Decoy effects from memory in decisions under risk	Contracting with a Present-Biased Agent: Sannikov meets Laibson	Gender Risk Tolerance Gap
Speaker: Alessandro Ganoulis, King's College London	Speaker: Alejandro Rivera, University of Texas at Dallas	Speaker: Hava Orkut, University of Strasbourg
Discussant: Alejandro Rivera, University of Texas at Dallas	Discussant: Hava Orkut, University of Strasbourg	Co-author(s): Marie-Hélène Broihanne, University of Strasbourg
		Discussant: Alessandro Ganoulis, King's College London



Session 3C: Financial Behaviour 1

Chair: Lok Man Michelle Tong, London School of Economics

Room GC201

The price of happiness: Qualitative analysis of the effects of organizational factors on traders' work experience	Investor Sentiment and Options Trading Volume around M&A Announcements	Financial Vulnerability Among Retail Bank Customers
Speaker: Daphne Sobolev, University College London Discussant: Alvart Balmanian, Newcastle University	Speaker: Alvart Balmanian, Newcastle University Co-author(s): Bartosz Gebka and Darren Duxbury, Newcastle University Discussant: Daria Plotkina, University of Strasbourg	Speaker: Daria Plotkina, University of Strasbourg Co-author(s): Marie-Hélène Broihanne, University of Strasbourg Discussant: Lok Man Michelle Tong, London School of Economics
Walk a Tightrope: Could "Rational" Investors Well Manage Their "Irrational" Strategies?		
Speaker: Lok Man Michelle Tong, London School of Economics Discussant: Daphne Sobolev, University College London		

15:00-15:30 Coffee Break

(Graduate Centre Ground Floor Foyer)

15:30-17:00

Session 4A: Experiments

Chair: Polina Khrennikova, University of Leicester

Room GC101

How the Provision of Inflation Information Affects Pension Contributions: A Field Experiment	Looking for a Connection between Origin and Trading Behavior – Experimental Approach	Measuring contextuality in investment preferences: a stock selection experiment
Speaker: Pascal Büsing, University of Muenster Co-authors: Henning Cordes and Thomas Langer, University of Muenster Discussant: Hana Dvorackova, VSB-TUO	Speaker: Hana Dvorackova, VSB-TUO Co-authors: Marek Jochec, Nazarbayev University Discussant: Polina Khrennikova, University of Leicester	Speaker: Polina Khrennikova, University of Leicester Discussant: Pascal Büsing, University of Muenster

Session 4B: Sustainability 2

Chair: Hanwen Sun, University of Bath

Room GC114

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Political connections and cross-border M&A by Chinese firms: The mediating effect of CSR	ESG Controversies: How Do They Affect Market Returns and Individual Asset Choices?	The Dark Side of Competition: Evidence from Corporate ESG Performance
Speaker: Xianmin Liu, Queen	Speaker: Aiste Petkeviciute,	Speaker: Hanwen Sun,
Mary University of London	UCLouvain	University of Bath
Co-authors: Gulnur	Co-authors: Rudy De Winne,	Co-authors: Yue Xiang,
Muradoglu and Ni Peng,	UCLouvain	University of Bath
Queen Mary University of	Discussant: Hanwen Sun,	Discussant: Xianmin Liu,
London	University of Bath	Queen Mary University of
Discussant: Aiste Petkeviciute, UCLouvain		London

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Session 4C: Financial Markets 1

Chair: Roberto Gomez Cram, London Business School

Room GC201

Local Return
Comovement and
Geographic Dispersion

When Love and Hate Collide: A Network Analysis of emotional contagion in Financial Markets Using Social Media to Identify the Effects of Congressional Viewpoints on Asset Prices

Speaker: Jared DeLisle, Utah State University

Co-authors: Andrew Grant and Ruiqi Mao, Utah State University

Discussant: Richard Fairchild, University of Bath Speaker: Richard Fairchild, University of Bath

Co-authors: Muhamed Alsharman and James Kinsella, University of Bath

Discussant: Roberto Gomez Cram, London Business School Speaker: Roberto Gomez Cram, London Business School

Co-authors: Francesco Bianchi, Johns Hopkins University, Duke University, NBER, & CEPR and Howard Kung, London Business School & CEPR

Discussant: Jared DeLisle, Utah State University

17:00-17:15 Light Refreshments

(Graduate Centre Ground Floor Foyer)

17:15-18:15 Keynote Speech

(Peston Lecture Theatre, Ground Floor Graduate Centre)

18:15 Dinner

(Mucci's Restaurant, Mile End Campus)



Day 2

08:15-09:15 Registration and Light Breakfast

(Graduate Centre Ground Floor Foyer)

09:15- 09:30 Best Paper Awards

(Peston Lecture Theatre, Ground Floor Graduate Centre)

09:30-10:30 Practitioner Keynote

(Peston Lecture Theatre, Ground Floor Graduate Centre)

10:30-11:00 Coffee Break

(Graduate Centre Ground Floor Foyer)

11:00-12:30

Session 5A: Behavioral Corporate Finance 2

Chair: Nils Lohmeier, University of Münster

Room GC101

Shared Parental Leave and Firm Performance in the UK: A Governance Perspective?	Excess Cash and Equity Option Liquidity	Managerial Catering via Earnings Guidance
Speaker: Ylva Baeckstrom,	Speaker: Min Deng, Queen	Speaker: Nils Lohmeier,
King's College London	Mary University of London	University of Münster
Co-author(s): Onur	Co-author(s): Minh Nguyen,	Co-author(s): Hannes
Kemal Tosun, Cardiff	Newcastle University Business	Mohrschladt, University of
University	School	Münster
Discussant: Min Deng, Queen	Discussant: Nils Lohmeier,	Discussant: Ylva Baeckstrom,
Mary University of London	University of Münster	King's College London

Session 5B: Financial Behaviour 2

Chair: Hossein Jahanshahloo, Cardiff University

Room GC114

How Will Investors React to Trading Shocks?	Fed VS S&P 500: Extrapolated Beliefs, (Household) Deposit Supply, and Bank Competition	Does Experience Shape Herding Behavior and Accuracy? The Case of Macroeconomic News Forecasters
Speaker: Guiming Han, King's College London Co-author(s): Alexandru Predda and Filippos Papakonstantinou, King's College London Discussant: Teng Huang, Luiss University	Speaker: Teng Huang, Luiss University Discussant: Hossein Jahanshahloo, Cardiff University	Speaker: Hossein Jahanshahloo, Cardiff University Co-author(s): Konstantinos Bozos, University of Leeds and Konstantinos Nikolopoulos, Durham University Discussant: Guiming Han, King's College London

Session 5C: Financial Analysts

Chair: Crawford Spence, King's College London

Room GC201

Should Retail Investors Listen to Social Media Analysts? Evidence from Text-Implied Beliefs	The Role of Stock Indices in Analyst Career Outcomes	Social Inertia and Field Heterogeneity: towards new conceptualizations of Equity Analysts
Speaker: Chukwuma Dim, Frankfurt School of Finance & Management Co-author(s): Annalisa Ferrando, European Central Bank Discussant: Stefan Pohl, Swiss Finance Institute and University of Zurich	Speaker: Stefan Pohl, Swiss Finance Institute and University of Zurich Co-author(s): Vesa Pursiainen, University of St. Gallen Discussant: Crawford Spence, King's College London	Speaker: Crawford Spence, King's College London Co-author(s): Yuval Millo, University of Warwick and James Valentine, DePaul University Discussant: Chukwuma Dim, Frankfurt School of Finance & Management

12:30-13:30 Lunch

(Graduate Centre Ground Floor Foyer)

15:00-15:30

Session 6A: Decision Making 2

Chair: Chris Riley, University of Nottingham

Room GC101

Domain-dependent diversification: The influence of gain-loss domain and information aggregation on correlation choice	Stakes and Mistakes	Decomposing Returns using Reference Points
Speaker: Darren Duxbury, Newcastle University Co-author(s): Charlotte Borsboom, Radboud University and Stefan Zeisberger, Radboud University and University of Zurich Discussant: Kasper Meisner Nielsen, Copenhagen Business School	Speaker: Kasper Meisner Nielsen, Copenhagen Business School Co-author(s): Steffen Andersen, Copenhagen Business School and Abhiroop Mukherjee, Hong Kong University Science and Technology Discussant: Chris Riley, University of Nottingham	Speaker: Chris Riley, University of Nottingham Co-author(s): Darren Duxbury, Newcastle University Discussant: Mohammad Shehub Bin Hasan, ICMA Centre, Henley Business School

Session 6B: Financial Markets 2

Chair: Sang Woo Sohn, Emory University

Room GC201

Do News Headlines matter in the Cryptocurrency Market?	Financial Market Gambling vs. Sports Betting	Bank Political Attitudes and Transaction Costs of Collective Action within Loan Syndicates
Speaker: Anamika Anamika, Indian Institute of	Speaker: Julian Schneider, Bamberg University	Speaker: Sang Woo Sohn, Emory University
Management Lucknow Co-author(s): Sowmya	Discussant: Sang Woo Sohn, Emory University	Co-author(s): Jianxin Zhao, Emory University
Subramaniam, Indian Institute of Management Lucknow		Discussant: Anamika Anamika, Indian Institute of Management Lucknow
Discussant: Julian Schneider, Bamberg University		

Session 6C: Investment Funds

Chair: Paweł Niszczota, Poznań University of Economics and Business

Room GC114

und business		
These Stocks are on Fire: The Impact of Social Media on Mutual Funds' Performance, Flows, and Trading	Benchmark Backdating by Mutual Funds	Saint fund managers cannot earn the license to sin
Speaker: Ariel Gu, Durham University Co-author(s): Sha Liu, Southwestern University of Finance and Economics, China, Wenjie Ding and Qingwei Wang, Cardiff University Discussant: Andrea Rossi, University of Arizona	Speaker: Andrea Rossi, University of Arizona Co-author(s): Kevin Mullally, University of Central Florida Discussant: Paweł Niszczota, Poznań University of Economics and Business	Speaker: Paweł Niszczota, Poznań University of Economics and Business Co-author(s): Paul Conway, University of Portsmouth Discussant: Ariel Gu, Durham University

15:00-15:30- Coffee Break

(Graduate Centre Ground Floor Foyer)



15:30-17:00

Session 7A: Asset Pricing

Chair: Yi Zhou. San Francisco State University

Room GC101

Chair: 11 Zilou, San Francisco State University		Room GC101	
ntraday Herding and Attention around the Clock	Decomposing Momentum: Eliminating its Crash Component	Option bid-ask spread by moneyness and the cross-section of expected returns	
Speaker: Yanghua Shi, University of Mannheim Co-author(s): Stefan Scharnowski, University of Mannheim	Speaker: Susanne Siedhoff, University of Münster Co-author(s): Hannes Mohrschladt and Pascal Büsing, University of Münster	Speaker: Yi Zhou, San Francisco State University Discussant: Yanghua Shi, University of Mannheim	
viscussant: Susanne Siedhoff, Iniversity of Münster	Discussant: Yi Zhou, San Francisco State University		

Session 7B: Financial Behaviour 3

Chair: John Holland, University of Glasgow

Room GC114

Manager Uncertainty and the Cross-Section of Stock Returns	Investor sentiment and the demand for dividends	Corporate Social Responsibility, Problems, Behaviour, and change in financial firms
Speaker: Tengfei Zhang, Cambridge Judge Business School Discussant: Mo Hao, The University of Manchester	Speaker: Mo Hao, The University of Manchester Co-author(s): Amedeo De Cesari and Arif Khurshed, The University of Manchester Discussant: John Holland, University of Glasgow	Speaker: John Holland, University of Glasgow Discussant: Tengfei Zhang, Cambridge Judge Business School

Session 7C: Finance and Technology

Chair: Shumiao Ouyang, Princeton University

Room GC201

Who Pays For Your Rewards? Cross- Subsidization in the Credit Card Market	Geographical-Proximity Bias in P2B Crowdlending Strategies	Cashless Payment and Financial Inclusion
Speaker: Carlo Wix, Federal Reserve Board	Speaker: Carole Gresse, Université Paris Dauphine-	Speaker: Shumiao Ouyang, Princeton University
Co-author(s): Sumit Agarwal, National University of Singapore, Andrea F. Presbitero, International Monetary Fund and CEPR and Andre F. Silva, Federal Reserve Board	PSL Co-author(s): Hugo Marin, Université Paris Dauphine- PSL Discussant: Shumiao Ouyang, Princeton University	Discussant: Carlo Wix, Federal Reserve Board
Discussant: Carole Gresse, Université Paris Dauphine-PS		

17:00-17:30 Editorial Board Meeting by invitation only

17:00 Drinks Reception and Dinner

(Mucci's Restaurant, Mile End Campus)

Keynote Speech

Lauren Cohen (Harvard Business School)

Title:

Hidden Alpha

Abstract:

Using the setting of financial agents, we explore the importance of hidden connections relative to all other network connections. We find that hidden connections are those associated with the largest and most significant abnormal returns accruing to fund managers—on average 135 basis points per month (over 16% alpha per year, t-stat = 3.54) across the universe of mutual funds and public firms. This is relative to insignificant abnormal returns accruing on average to all other trades, including those to trades of "visible" connections. The hidden connection premium does not appear to be driven by endogenous selection or familiarity, as fund managers seem to be correctly timing when to hold (and when to avoid) the firm officers to whom they are tied. Further, the more hidden the connection is, the more valuable the information that appears to be associated with the trading across it. This hidden connection premium exists across industries, styles, time periods, and firm types; remaining strong and significant through the present day. More broadly, our findings highlight the importance of missing nodes and hidden edges when attempting to understand the true nature of shock propagation in complex network systems.

Bio:



Lauren Cohen is the L.E. Simmons Professor in the Finance & Entrepreneurial Management Units at Harvard Business School and a Research Associate at the National Bureau of Economic Research. He is an Editor of the Review of Financial Studies, along with being a past Editor of Management Science. Professor Cohen teaches in the MBA, Executive Education, and Doctoral Programs at the Harvard Business School. He is a Designer and Chair of the HarvardX Fintech course, along with the HBS Executive Education course Building a Legacy: Family Office Wealth Management.

Dr. Cohen frequently advises government organizations in the US and abroad, and his research has been published in the top journals in Finance and Economics. It is also frequently profiled in various media outlets including The Wall Street Journal, The New York Times, and The Washington Post. Dr. Cohen received a PhD in finance and an MBA from the University of Chicago in 2005. He earned dual undergraduate degrees from the University of Pennsylvania - a BSE from the Wharton School and a BA in economics from the College of Arts & Sciences in 2001. Professor Cohen currently resides in Belmont, MA with his wife - Dr. Nicole Cohen - and their six children, and competes in strongman and powerlifting (http://laurenhcohen.com/).

Practitioners Session

Dr Charlotte Duke (London Economics)

Title:

Behavioural Insights and Competition Policy

Bio:



Dr Charlotte Duke is a Partner with London Economics. Charlotte is an expert in behaviour change and behavioural economics. Charlotte has been advising UK Government, UK Regulators, the European Commission, the European Parliament and private sector organisations internationally on the use of behavioural economics for over 15 years. Charlotte's work for the Financial Conduct Authority (FCA) has provided evidence into the FCA's market studies and resulting regulations in retail financial markets. Charlotte co-authored an occasional paper with the FCA on the use of behavioural economics in financial regulation. Charlotte also provides independent expert witness services in the field of behavioural economics internationally.

Notes

Wifi

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Networks and Social Connections in Finance











